

M023/024



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE
35 East 500 North
Fillmore, UT 84631



In Reply Refer to:
3600
(U-010)
UTU-079462

RECEIVED

JAN 16 2003

January 14, 2003

AARON BUFMACK
ASSISTANT PLANT ENGINEER
ASH GROVE CEMENT COMPANY INC
PO BOX 51
NEPHI UT 84648

DIV. OF OIL, GAS & MINING

Dear Mr. Bufmack:

We received your request for a new mineral material contract for your County Canyon Shale Mine, located at T. 12 S., R. 2½ W., Section 25. Your request did not specify how much material you would like to purchase. The new 43 CFR 3600 regulations allow for contracts up to 200,000 cu. yds. under a noncompetitive sale. Upon signing the contract, five-percent of the total monetary amount is required to be paid up front, and is held to pay for the last five-percent of the material mined. Instead of subsequent payments being required before mining, as required under the old regulations, payments are required to be made monthly, in an amount of the value of the material mined the previous month.

We suggest that you contract for the maximum amount possible. If you believe there is less than 200,000 cu yds. of material left at the site, you should be generous in your estimate of what's left, since the regulations do allow for a contract to be adjusted if the amount of material at the site turns out to be less than what the contract specified.

If the amount of material left at the site is significantly more than 200,000 cu. yds, and you think you may want to enter into additional contracts, you may wish to consider entering into a renewable competitive sale that can last a maximum of ten years. Please submit a written request, specifying the amount of material you wish to contract for, and also specify any changes in your current mine and reclamation plans that would be needed to accommodate mining the additional material.

If you have any questions, please contact Sheri Wysong at (435) 743-3124.

Sincerely,

Jerry Mansfield
Geologist

cc: Tom Munson, UDOGM (M/023/024)